Azerbaijan Investment Holding

Overview Presentation

September 2025

AZERBAIJAN
INVESTMENT HOLDING

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AIH's Mission and Key Milestones

Azerbaijan Investment Holding, established by Presidential decree on August 7th, 2020, is a public entity aimed at advancing the management and performance of state-owned enterprises, ensuring transparency, efficiency, and competitiveness

Key Missions and Mandates

Supervision of SOEs in the following directions:

- ***Performance*** – Increasing operational efficiency, financial health, sustainability, and competitiveness of SOEs
- ***Transparency*** – Enhancing transparency and financial efficiency of investment programs implemented by SOEs
- ***Governance*** – Implementing global best practices in corporate governance for SOEs

Privatization programs - Support the preparation for privatization of the country's largest SOEs

Domestic Investments - Driving domestic economic diversification through strategic investments, attracting international capital

International Investments - Targeting international investments to enhance global presence and strengthen the country's strategic position

Key milestones 2020-2024

- Diagnostic of Portfolio Companies were held with support of international consulting companies to identify major issues existing in the operations
- Implemented the best corporate governance practices for the management of SOEs based on OECD principles: Supervisory Boards and respective committees were established
- Developed and integrated standardized budget models into the SOE budgeting process
- Enhanced economic efficiency and financial strength of SOEs, resulting in a doubling of total EBITDA of Portfolio Companies
- General Information System was developed to get instant access to the operational and financial data gathered from Portfolio Companies
- Successfully executed the Initial Public Offering (IPO) for the International Bank of Azerbaijan, one of our portfolio companies, as part of its privatization strategy
- Established two G2G co-investment funds with international partners

7 SOEs from various industries are under management of AIH

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AIH's portfolio companies operate across 4 key sectors

Energy & Natural resources

SOCAR

AzerGold

Public services

təmiz şəhər

Financial Institutions

ABB

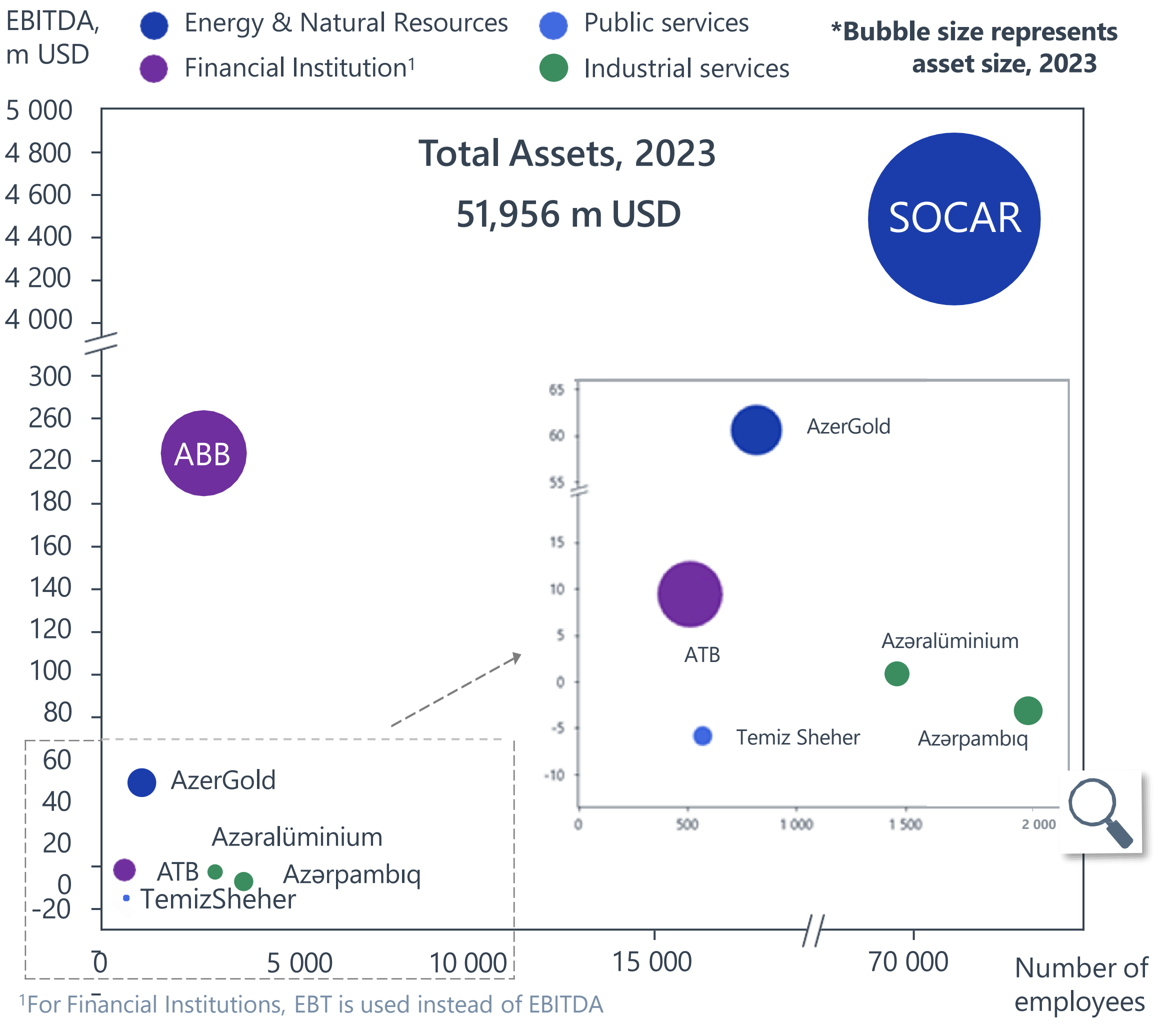
atb

Industrial sector

azərpambıq

Azəralüminium

AIH's portfolio companies are major contributors to economic growth



[1]For Financial Institutions, EBT is used instead of EBITDA

Strategic pillars of AIH's Value Creation Model

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AIH's Strategic Partners Value Creation

- Accelerated international expansion through partner networks
- Strategic alignment and synergy with partners' portfolio companies

Portfolio Companies Synergies

- Transaction origination through AIH's PC
- Integrated financing solutions via Financial Institutions PC

Strategic M&A and Buy-and-Build Enablement

- Dedicated in-house team for proprietary deal sourcing
- Access to a global and local network for high-quality target identification

Organizational Development

- Expertise in best practice of corporate governance
- Hiring support, strengthening of executive team

Proven Results Across the Portfolio Companies

- Proven track record in improving financial results of AIH portfolio companies
- Local strategic advisor relationships

Azerbaijan's Strategic Positioning

- Strategic geopolitical position along the Middle Corridor
- Competitive labor costs supporting operational efficiency
- Access to low-cost and reliable energy supply

SK-AIH Investment Fund LTD

SAMRUK KAZYNA

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In July 2024, a Shareholders Agreement was signed between Azerbaijan Investment Holding and Sovereign Wealth Fund "Samruk-Kazyna," with the participation of Presidents Ilham Aliyev and Kassym-Jomart Tokayev

Investment mandate

Funding size

- Total funding of **$300 mln**., with each party committing $150 mln

Target portfolio investments

- Direct investment with a focus on common equity and preferred equity, as well as equity-related instruments like convertible loans
- Average ticket size range: $15-20 million, aiming to diversify portfolio across 15-20 portfolio companies

Industry focus and Limitations

- Focus on sectors of mutual priority, such as infrastructure & transportation (including Trans-Caspian International Transport Route), energy & renewables, technology & AI and other industries as agreed between the parties
- No sectors from "negative" list, e.g., tobacco, alcohol, gambling, any sector using forced or child labor
- No investments in companies violating UN Sustainable Development Goals or engaging in corrupt practices, in compliance with Anti-Corruption Regulations

Target investment geographies

Kazakhstan, Azerbaijan, Turkey, Hungary, Bulgaria, Romania, Central Asia, Georgia and other countries as agreed between the Parties

Target investment companies

Investing as a shareholder **in promising companies** and **new investment projects** (with off-take agreements for projects) based on significant **growth potential** and **sufficient return rates** together with (or without) strategic partners capable of delivering necessary returns and exit for the Fund

AIH-ADQ Investment Fund

In December 2023, Joint Investment Framework Agreement was signed between Azerbaijan Investment Holding and Abu Dhabi Developmental Holding Company with participation of President Ilham Aliyev, Azerbaijan's Economy Minister Mikayil Jabbarov and UAE's Minister of Investment Mohamed Hassan Alsuwaidi

Investment mandate

Funding size	• Total funding of **$1bln** , with each party committing $500mln
Target portfolio investments	• Direct Investments - common equity, preferred equity, convertible loans, and Funds – instruments issued by collective investment funds • Average ticket size range - $30-50 million, aiming to diversify portfolio across 20-30 portfolio companies • Ticket size Max Cap - up to 10% of capital commitment • Each transaction is limited to an industry concentration of no more than 30% of commitment
Industry focus and Limitations	• Focus on sectors of mutual priority, such as **energy & renewables, infrastructure & transportation, agriculture, technology & AI, pharmaceuticals & biotech, real estate, financial services & green financing** • No sectors from "negative" list, e.g., tobacco, non-Halal sectors (e.g., alcohol, pork) • No investment subjected to Sanctions Program

Target investment geographies

The planned investment distribution will allocate **25% to Azerbaijan**, **25% to the UAE**, **25% across Georgia & Central Asia, and 25% to other countries**

Target investment companies

Investing as a shareholder **in promising companies** and **new investment projects** (with off-take agreements for projects) based on significant **growth potential** and **sufficient return rates** together with (or without) strategic partners capable of delivering necessary returns and exit for the Fund

AzerGold CJSC

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488 **Assets** 2024 (mln. USD)

94 **Liabilities** 2024 (mln. USD)

394 **Equity** 2024 (mln. USD)

1394 **AISC**[1] (mln. USD)

>1000 **Employees**

3/8 No. of **Deposits** (active / all)

Background

AzerGold CJSC, **100% owned by government**, was **established** in **February 2015.** The Company focuses on the study, research, exploration, development, and management of **both non-ferrous and ferrous metal ore deposits**

AzerGold was transferred into **AIH's portfolio in 2020** for the purpose of transformation and improvement of the corporate governance

In addition to its core focus on gold mining, AzerGold has **two subsidiaries**:

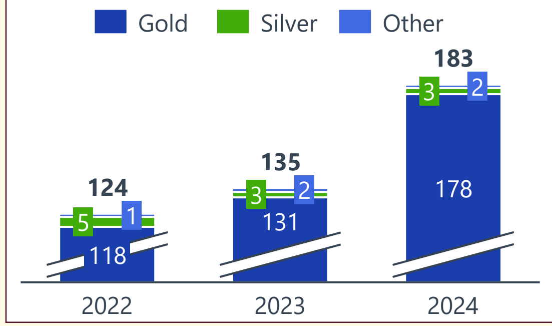
- **Dashkasan Iron Ore** – Focuses on the extraction and processing of iron ore
- **AzerBlast LLC** – Specializes in the production of industrial explosives

Investment Opportunities

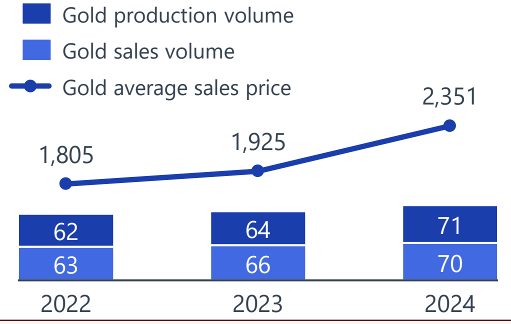
Investment Opportunities	Total Resources
Gold Deposits – Exploration of **Ortakend and Tutkhun** fields, along with opportunities in the **newly liberated territories**.	**18 tons**
Dashkasan HBI – Full value chain from iron ore concentrate to **export-oriented Hot Briquetted Iron (HBI)**, currently under development.	**183 tons**
Base Metals – Zinc, copper, and lead projects at **Filizchay** (Zn, Cu, Pb), **Mazımchay** (Cu), and **Goydagh** (Cu) deposits, currently under feasibility study.	**3M tons Zn** **1.4M tons Cu** **1M tons Pb**
New Geographies – Potential mining and exploration activities **in Central Asia**	

Financial indicators

Revenue by segments, M USD



Production and sales volumes, K Ounces / Sales price (USD per ounce)



Highlights

- ✓ AzerGold is the **largest** gold producer in Azerbaijan with **60% market share**
- ✓ The Company operates the Chovdar, Tulallar, and Marah **gold fields** with total resources of **64 tons**
- ✓ **Sustained financial performance in 2024,** with revenue from gold sales up by **36%** and Adj. EBIT rising by **51%**
- ✓ A **diversified** growth pipeline, driven by **expansion into HBI and base metals** (iron ore, zinc, copper, and lead), is further supported by **rising global demand**

[1] AISC: All In Sustaining Costs - cost of producing an ounce of gold

Azer-Turk Bank OJSC

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6th **By asset size** in 2024

466 **Loan portfolio** 2024 (mln. USD)

921 **Deposit portfolio** 2024 (mln. USD)

17 **Branches**

700 **Employees**

>70 **ATMs**

Background

ATB was **founded in May 1995** with its opening ceremony inaugurated by the National Leader of Azerbaijan, Mr. Heydar Aliyev

ATB was transferred into **AIH's portfolio in 2021** for the purpose of transformation and improvement of corporate governance

ATB is a **75% state-owned bank** leveraging its **strong digital focus** to increase its **market share** from 10th in 2023 to 6th in 2024 by **asset size**

Strategic Directions

Corporate Clientele: Grow non-oil and export-focused corporate base through stronger IFI partnerships

Infrastructure & SME: Scale financing for infrastructure, housing, and SMEs with diversified tools

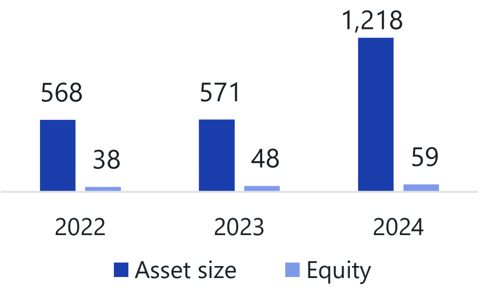
Sustainability: Support decarbonization and ESG-aligned industrial projects

Digital Transformation: Boost efficiency and retail growth through digitalization

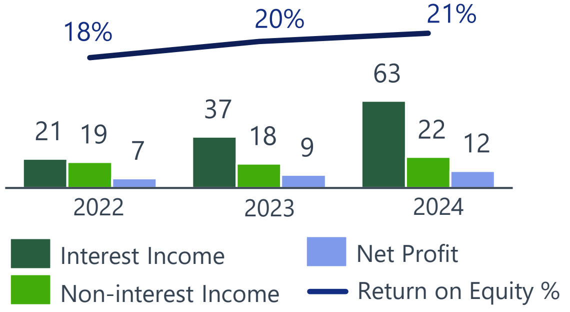
Investment Offering: Launch an in-app retail investment platform

Financial indicators

Asset and equity dynamics, mln. USD



Income and profitability, mln. USD



Highlights

- ✓ ATB has continuously expanded its **digital services**, with **digital branches** making up majority of its network (10/17)
- ✓ ATB is recognized as a leading provider of **affordable mortgages**, ranking **5th** in Azerbaijan by portfolio size
- ✓ ATB's 2024 **non-performing loan (NPL)** ratio was **1.4%,** well below the 2.4% sector average
- ✓ In mid-2025, **Moody's** raised Azerbaijan's sovereign rating to investment grade (**Baa3, positive outlook**), joining **Fitch's affirming at BBB- (stable)**

Azeraluminium LLC

>1K Employees

50K Tons of primary aluminum

40K Tons of continuous casting

25K Tons of cold rolling

100K Tons of ingots

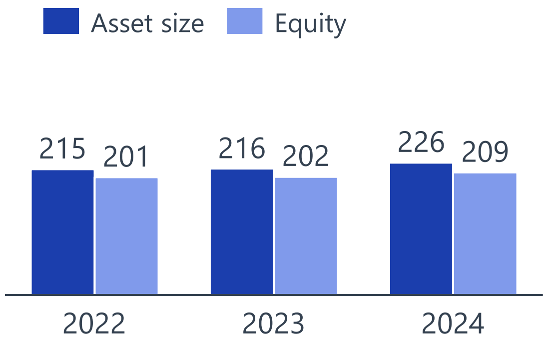
Background

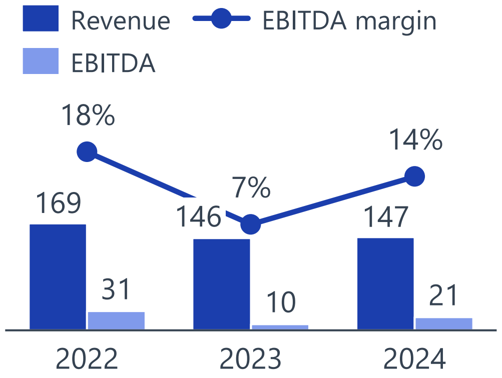
Azeraluminium LLC, **100% owned by government,** the leading non-ferrous metallurgy company in Azerbaijan and the sole primary aluminium producer in the South Caucasus, was **established in March 2008**

With a strong belief in the quality of its products and corporate framework, Azeraluminium **exports 90%** of its production to more than **15 countries** worldwide

Azeraluminium was transferred into **AIH's portfolio in 2024** for the purpose of transformation and improvement of corporate governance

Financial indicators, mln USD and %





Investment projects

- **Aluminum Smelter Production Capacity Expansion.** The project aims to:
  - Build a second plant to boost aluminum production (current volume is 50K tons)
  - Add a recycling furnace for secondary production

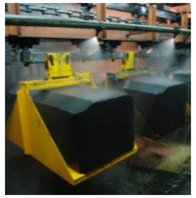
Annual production capacity (including recycling) in tons **250K**

- **Construction of Aluminum Foil Plant.** The project aims to:
  - Establish a plant for aluminum foil production

Target annual output in tons **25K**

- **Construction of Calcination Plant and an Anode Plant.** The project aims to:
  - Build a plant to produce anode blocks using local petroleum coke which will enhance supply and lower reliance on imports

Annual production capacity (anodes) in tons **120K**



- **Dashkasan Zaylik Alunite Ore Processing.** The project aims to:
  - Secure local raw material supply for alunite processing to reduce import dependence

Alunite deposit resource volume in tons **146M**

Azercotton LLC

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>2K Employees

22K Hectares of cultivated area

65K Tons of harvested raw cotton

27K Tons of cotton fiber

6 Supply facilities

7 Ginning factories

Background

Azercotton, **100% owned by government,** established in **2018**, specializes in **cotton production, procurement, processing, and the sale of products** such as cottonseed, crude oil, cottonseed oil, and by-products

Additionally, the company provides **agro-technical services to farmers**, supplying them with seeds, fertilizers, and pesticides

Azercotton was transferred into **AIH's portfolio in 2024** for the purpose of transformation and improvement of corporate governance

Financial indicators for 2024

Asset size	Equity	Gross margin
$131M	**$104M**	**10%**
PPE	**Revenue**	**EBITDA margin**
$59M	**$74M**	**2%**

Investment projects

- **The Yarn and Denim Fabric Plant** project aims to establish a fabric production facility in Absheron:
  - Partnership with a **high-quality textile manufacturer from Türkiye**
  - Located in the Alat Free Economic Zone, covering a **total area of 60,000 m^2**
  - Requires **15,000 tons of cotton annually**, supplied by Azercotton's existing production capacity

Yearly production capacity of denim

18 M meters

- **The Azercotton Oil Processing Plant Modernization** project aims to enhance the operations of the plant located in Shirvan:
  - Capacity to process **30 tons of seeds per day**
  - Production of **lint**, **cottonseed meal**, **cottonseed hull** and **by-products**
  - **2023 material wastage** at **18.81%**, projected to decrease to **10.57% after modernization**
  - **Primarily exports** products to **Türkiye**, with plans to expand to **Asian markets**

Daily production capacity of seed

150 tons

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